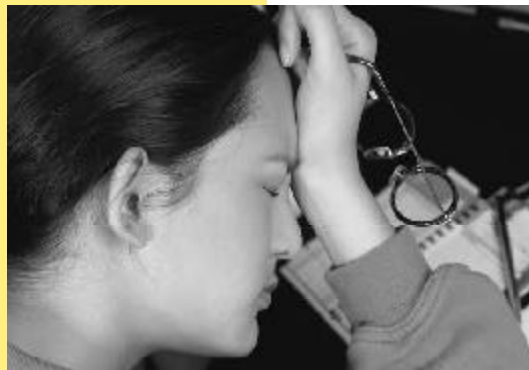


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INSURANCE INSURANCE *Fraud* *Fraud*

A CRIME
THAT



AFFECTS
US
ALL



A message
from
Commissioner
of Insurance
Robert Wooley

Insurance fraud is one of the most costly white-collar crimes in the country. At least twenty cents of every insurance dollar paid goes to defray the cost of insurance fraud, and studies show that insurance fraud is increasing in America at an alarming rate.

Since being approved by the Legislature 10 years ago, the Fraud Unit of the Louisiana Department of Insurance has had great success in investigating and aiding in the prosecution of fraudulent activities of insurance companies, producers and individual claimants.

I am proud of the investigative efforts of the Fraud Unit, but the fight is far from over. In cooperation with local, state and federal law enforcement agencies, insurance companies and insurance regulators, we will continue to stamp out illegal insurance operations that cost the citizens of Louisiana millions of dollars each year.



Insurance
Fraud costs
approximately
\$80 Billion
a year.



What is Insurance Fraud?

Fraud is an intentional act and is legal.

Insurance fraud is no different from any other type of fraudulent activity. It is any deliberate deception perpetrated *against* an insurance company. It is also any deliberate deception committed *by* an insurance company or its representatives.

A person convicted of insurance fraud can be sent to jail for up to five years and/or fined up to five thousand dollars for each count of insurance fraud.



Not every claim problem is fraud.

You can PROTECT YOURSELF by becoming aware of different types of fraud, such as:

FICTIONAL THEFT –

A policyholder files a phony insurance claim for a “stolen” luxury vehicle that he knows is simply in “storage.”

REPAIR SHOP RIP-OFFS –

The owner of an auto repair shop or glass shop offers to inflate a policyholder’s damage estimate as a favor to cover the deductible.

ADJUSTER RIP-OFFS –

An insurance company directs its adjusters to deliberately limit amounts payable on certain items so that claimants are not properly reimbursed for their losses.

UNCOMPLETED REPAIRS –

The owner of an auto repair shop routinely does not replace parts that are required to complete repairs, or an insurance company requires that substandard work be done by repair shops.

DECEPTIVE CLAIM –

An accident victim files a claim for repairs that had been previously claimed.

Insurance Companies, insureds, and repair shops all have rights and obligations when it comes to reporting or preventing fraud.

Any individual or company representative who believes that a fraudulent claim is being made has the obligation to report the information.

Insurance companies are obligated to report any fraudulent activities they receive or become aware of to the Fraud Unit of the Department of Insurance within 60 days.



The law protects persons who report suspected insurance fraud by granting them civil immunity. What this means is that a person who reports suspected insurance fraud to the Fraud Unit cannot be sued for slander or libel unless it can be proven that the report was made with malice, fraudulent intent or bad faith.

Who investigates fraud and who is it reported to?



The Fraud Units of the Louisiana Department of Insurance, Louisiana State Police, Attorney General’s Office, as well as local authorities, all play a role in the investigation and prosecution of suspected insurance fraud.

Cases of suspected insurance fraud should be reported to the Fraud Unit of the Louisiana Department of Insurance.

YOU MAY REPORT INSURANCE FRAUD TO THE FRAUD UNIT BY:

MAIL:

Attention: Fraud
Louisiana Department of Insurance
Post Office Box 94214
Baton Rouge, LA 70804-9214

FAX: 225-342-7393

ONLINE: www.ldi.state.la.us
(see “Report Insurance Fraud”)